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NO CHANGE in Class.

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DDA Memo, 4 Apr 77

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Date: 14 10 77 By: 010 13 May 1948

MEMORANDUM FOR THE PRESIDENT

The Kremlin's apparent inclination (1) to construe the US aide-memoire of h May as an invitation for direct conversations between the US and the USSR; and (2) to "accept" this "proposal" may have been taken for tactical as well as propaganda purposes. The Soviet response was obviously designed to obtain maximum propaganda advantage both at home and abroad by (1) creating within the US and the USSR a feeling of optimism which inturn would encourage a relaxation in defense measures; (2) allaying the war fears of the Soviet and Satellite populations; (3) giving support to the efforts of the western Communists to regain their popular following; and (4) driving a wedge between the US and the western powers.

The Soviet response may also reflect an actual desire to participate in such conferences as a means of advancing the following immediate Soviet objectives: (1) to gain a share in the administration and production of the Ruhr and to facilitate the spread of Communist influence in the Western Zones by obtaining US agreement to the reopening of 4-power discussions on Germany; (2) to wreck the European recovery program or obtain benefits from that program by participation in the program (preferably under UN aumpices); and (3) to persuade the Western powers to modify their present embargoes on trade with the USSR and its Satellites.

In short, the USSR has much to gain, and little to lose, by entering into direct Soviet-US negotiations, and may even offer conciliatory gestures to this end. Nowhere in the USSR reply, however, is there any indication of change in Soviet long-range objectives.

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central Intelligence

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13 May 1948

MAY/OF ANDUM FOR THE PRESIDENT

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